



General Assembly

February Session, 2004

Amendment

LCO No. 4892

SB0005604892HDO

Offered by:

REP. KEELEY, 129th Dist.

To: Subst. Senate Bill No. 56

File No. 428

Cal. No. 514

(As Amended by Senate Amendment Schedule "A")

"AN ACT CONCERNING MANDATORY OVERTIME IN HEALTH CARE FACILITIES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 10a-186a of the general statutes is repealed and
4 the following is substituted in lieu thereof (*Effective from passage*):

5 (a) In connection with the issuance of bonds to finance a project at a
6 participating nursing home or to refund bonds previously issued by
7 the authority to finance a project at a participating nursing home, or in
8 connection with the issuance of bonds to effect a refinancing or other
9 restructuring with respect to one or more participating nursing homes
10 or hospitals as permitted by subsection (b) of this section, or to finance
11 dormitories, residential facilities, student centers, food service facilities
12 and other auxiliary service facilities and related buildings and
13 improvements at a public institution of higher education, the authority

14 may create and establish one or more reserve funds to be known as
15 special capital reserve funds and may pay into such special capital
16 reserve funds (1) any moneys appropriated and made available by the
17 state for the purposes of such funds, (2) any proceeds of sale of notes
18 or bonds for a project, to the extent provided in the resolution of the
19 authority authorizing the issuance thereof, and (3) any other moneys
20 which may be made available to the authority for the purpose of such
21 funds from any other source or sources. The moneys held in or
22 credited to any special capital reserve fund established under this
23 section, except as hereinafter provided, shall be used solely for the
24 payment of the principal of and interest, when due, whether at
25 maturity or by mandatory sinking fund installments, on bonds of the
26 authority secured by such capital reserve fund as the same become
27 due, the purchase of such bonds of the authority, the payment of any
28 redemption premium required to be paid when such bonds are
29 redeemed prior to maturity, including in any such case by way of
30 reimbursement of a provider of bond insurance or of a credit or
31 liquidity facility that has paid such amounts; provided the authority
32 shall have power to provide that moneys in any such fund shall not be
33 withdrawn therefrom at any time in such amount as would reduce the
34 amount of such funds to less than the maximum amount of principal
35 and interest becoming due by reasons of maturity or a required
36 sinking fund installment in the then current or any succeeding
37 calendar year on the bonds of the authority then outstanding or the
38 maximum amount permitted to be deposited in such fund by the
39 Internal Revenue Code of 1986, or any subsequent corresponding
40 internal revenue code of the United States, as from time to time
41 amended, to permit the interest on said bonds to be excluded from
42 gross income for federal tax purposes and secured by such special
43 capital reserve fund, such amount being herein referred to as the
44 "required minimum capital reserve", except for the purpose of paying
45 such principal of, redemption premium and interest on such bonds of
46 the authority secured by such special capital reserve becoming due
47 and for the payment of which other moneys of the authority are not
48 available. The authority may provide that it shall not issue bonds

49 secured by a special capital reserve fund at any time if the required
50 minimum capital reserve on the bonds outstanding and the bonds then
51 to be issued and secured by the same special capital reserve fund at the
52 time of issuance, unless the authority, at the time of the issuance of
53 such bonds, shall deposit in such special capital reserve fund from the
54 proceeds of the bonds so to be issued, or otherwise, an amount which,
55 together with the amount then in such special capital reserve fund, will
56 be not less than the required minimum capital reserve. On or before
57 December first, annually, there is deemed to be appropriated from the
58 state General Fund such sums, if any, as shall be certified by the
59 chairman or vice-chairman of the authority to the Secretary of the
60 Office of Policy and Management and the Treasurer of the state, as
61 necessary to restore each such special capital reserve fund to the
62 amount equal to the required minimum capital reserve of such fund,
63 and such amounts shall be allotted and paid to the authority. For the
64 purpose of evaluation of any such special capital reserve fund,
65 obligations acquired as an investment for any such fund shall be
66 valued at market. Nothing contained in this section shall preclude the
67 authority from establishing and creating other debt service reserve
68 funds in connection with the issuance of bonds or notes of the
69 authority which are not special capital reserve funds. Subject to any
70 agreement or agreements with holders of outstanding notes and bonds
71 of the authority, any amount or amounts allotted and paid to the
72 authority pursuant to this section shall be repaid to the state from
73 moneys of the authority at such time as such moneys are not required
74 for any other of its corporate purposes and in any event shall be repaid
75 to the state on the date one year after all bonds and notes of the
76 authority theretofore issued on the date or dates such amount or
77 amounts are allotted and paid to the authority or thereafter issued,
78 together with interest on such bonds and notes, with interest on any
79 unpaid installments of interest and all costs and expenses in
80 connection with any action or proceeding by or on behalf of the
81 holders thereof, are fully met and discharged. No bonds secured by a
82 special capital reserve fund shall be issued to pay project costs unless
83 the authority is of the opinion and determines that the revenues from

84 the project shall be sufficient (A) to pay the principal of and interest on
85 the bonds issued to finance the project, (B) to establish, increase and
86 maintain any reserves deemed by the authority to be advisable to
87 secure the payment of the principal of and interest on such bonds, (C)
88 to pay the cost of maintaining the project in good repair and keeping it
89 properly insured and (D) to pay such other costs of the project as may
90 be required.

91 (b) Notwithstanding the provisions of subsection (a) of this section,
92 after June 4, 1998, no bonds secured by such a special capital reserve
93 fund shall be issued by the authority to finance a project at a
94 [qualified] participating nursing home or hospital, or to refund,
95 refinance or otherwise restructure bonds issued to finance a project at a
96 [qualified] participating nursing home or hospital, except for
97 [refunding] bonds that meet the following requirements: (1) [The
98 refunding] Such bonds, which may be bonds issued on a pooled or
99 obligated group basis with respect to more than one participating
100 nursing home or hospital, must, at least in part, refund , refinance or
101 otherwise restructure bonds which are already secured by a special
102 capital reserve fund pursuant to this section; (2) the state must be
103 released from any obligation to restore [the] any special capital reserve
104 fund for the [refunded] bonds being refunded, refinanced or otherwise
105 restructured; and (3) the authority and the State Treasurer and the
106 Secretary of the Office of Policy and Management must approve [the
107 refunding] such bonds and must determine that the aggregate [debt
108 service on the refunding] liability of the state with respect to such
109 bonds will be less than the aggregate [debt service on the refunded
110 bonds and that the economic benefit derived from the refunding will
111 inure to the state. In the event of a refunding undertaken in the context
112 of a receivership, bankruptcy or insolvency, any] liability of the state
113 with respect to the bonds being refunded, refinanced or otherwise
114 restructured and that such refunding, refinancing or restructuring is in
115 the best interest of the state. Any approval and determination by the
116 authority, [and] the State Treasurer and the secretary under
117 subdivision (3) of this subsection shall be in lieu of (A) the otherwise

118 required opinion of sufficiency by the authority set forth in subsection
119 (a) of this section, and (B) the approval of the State Treasurer and the
120 documentation of the authority otherwise required under subsection
121 (a) of section 1-124, and may provide for the waiver or modification of
122 such other requirements of subsection (a) of this section as the
123 authority, the State Treasurer and the secretary determine to be
124 necessary or appropriate in order to effectuate such refunding,
125 refinancing or restructuring, subject to all applicable tax covenants of
126 the authority and the state. [Any other refunding of outstanding bonds
127 shall require such opinion, approval and documentation.]"

This act shall take effect as follows:	
Section 1	<i>from passage</i>